

## **Growth differently – a bio-dynamic economic model\***

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*John Thackara:*

*How to Thrive in the Next Economy*

*Thames & Hudson Ltd., London, 2015, 192 p.*

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Having a special field of expertise, outside the traditional economic disciplines, John Thackara provides a bird's eye view perspective for placing our current, unsustainable economic system, on new foundations. Throughout his entire life, his writing and producing activity was subordinated to the examination of various lifestyles serving a sustainable future, and thus, his global-level experiences and obsessions provide sound basics for the shifts, which support viable renewal processes. The author shares his stories and conclusions with the reader's community on his blog; moreover, with the invitation of project leaders carrying best practices, he has sent the core messages in the framework of several international festivals and national biennials, which he has organised, including the events "Designs of the Time" in Great Britain and the "City Eco Lab" in France with his name. As an institution leader his wide-ranging experiences were collected by his directorial position in Netherlands Design Institute and by his research director status in the Royal College of Art in London. He is currently the founding director of "Doors of Perception", a design organisation specialising on sustainability and social innovation. As a writer, he has already published 10 books, his latest title "*How to Thrive in the Next Economy*" was introduced in November 2015 by the London-based Thames & Hudson Publishers.

Moving away from the narrowly-defined financial profit driven growth model, in the new economy Thackara sets new objectives for the economic mechanisms. Establishing a new framework for economic activities, inserted into a more sustainable social and environmental structure, *Thackara subordinates the growth objectives to the reasonable human needs*. As a practicing expert, in this book the author aims to highlight new, working solutions which are already operating at the

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\* The views expressed in this paper are those of the author(s) and do not necessarily reflect the official view of the Magyar Nemzeti Bank.

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community level and offer alternative answers to the challenges of social alienation, insufficient health services, poverty and climate change. In order to discuss this, the book first outlines more theoretical frames, characterising the new economy, questioning its foundations, the profit and performance-centred orientation of the economy developed until now. Along this, he establishes the *increase in the welfare of the society* and *raising the quality of the environment* as the objectives of growth.

*In the new economy* for the *implementation* of development and for the direction of this lively, continuously changing system, *he recommends to create a dynamic balance* with its special system of aspects, based on diversity. The foundations of growth are constituted by social capital (1), self-governed communities, formed by individuals with a wide-ranging knowledge base, and such new infrastructure solutions (2), which result more efficient water management and reduced mobility needs (arising from a compact, well-established built environment and spatial structure of city regions), where these networks are co-ordinated at a higher level.

In fact, these thoughts represent the delivery of a so-called “*Doughnut Economics*” model,<sup>1</sup> which has emerged in the international community of economic researchers since 2012. The book indirectly presents several new practices and social innovations customised to local and regional specifics, which support the feasibility of this model. The author identifies the following issues as signs of shifts toward the renewal and as forecasters in the economic processes: community gardening in cities with social benefits; new types and “smart management” of urban infrastructure systems, for example in rainwater drainage; upcycling activities which are higher value added forms of recycling activities increasingly popular among designers; moreover, the new emergence of local moneys; or the proliferation of the so-called peer-to-peer (P2P) networks providing more personal and direct connections. Thackara thus also stipulates the fact that the change towards a re-established economy, in the framework of local-level community initiatives, *has already begun*. In the system of transformation processes, introducing new types of community co-operation forms (1) are essential but not enough, new design solutions (2) and financing practices operating with the available simplest and shortest leverage (3) also serves as critical *catalysts*. According to Thackara, these processes will result in integrated, technology-intensive and highly urbanised services, whose global spreading will establish economic growth on the bases of knowledge.

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<sup>1</sup> The concept of “Doughnut Economics”, which can be translated as an economy closed in a doughnut or ring, is connected with the name of Kate Raworth, who is a senior visiting research associate at Oxford University’s Environmental Change Institute, a senior associate of the Cambridge Institute for Sustainability Leadership and a member of the Club of Rome. The objective of Kate Raworth is to determine the system of processes and ways of the economy corresponding to the challenges of the 21st century. In her model, the limits of economic mechanisms are drawn by the capability of supporting the environment and social rules appreciating human rights. Her theory will be published in a detailed form in her book titled “Doughnut Economics: seven ways to think like a 21st century economist”, to be published in 2017, but the author has already revealed mosaics of this in several cases in academic journals, UN reports, Twitter messages and in the framework of TEDX conversations. (<http://www.kateraworth.com/>)

Arriving from the fields of the arts, John Thackara forms a bridge between the individuals perceiving the economic sphere as external observers or users, and the society of economists. He transplants new concepts and introduces new definitions in connection with bio-dynamic systems, already widely known from the field of biology, to the economic framework (for example “vitality-monitoring” and “mycorrhizae formations” [a symbiotic association composed of a fungus and roots of a vascular plant]), which, on the one hand, serve the deeper understanding of the global challenges of the 21st century, on the other hand, they make the dialogue between experts outside the economic sphere and economic researchers more understandable and active. However, the greatest merit of the book is its inspirational impact on the reader. Namely, with his brief volume John Thackara encourages a move towards the changes and rethinking our connections formed with our communities and environment at the individual level.